

CalPERS

Asset Allocation as of July 31, 2008

Total Fund Market Value: **\$235,920,639,078**

	Global Equity	Domestic Equity	International Equity	Global Fixed	Domestic Fixed	International Fixed	AIM	Real Estate	Inflation Linked ⁵	Cash ¹	Total Fund
Strategic Target Range %	51-61%			14-24%			7-13%	7-13%	0-5%		
Strategic Target %	56.0%	28.0%	28.0%	19.0%	17.0%	2.0%	10.0%	10.0%	5.0%	0.0%	N/A
Cash Market Investment %	51.1%	28.6%	22.5%	24.4%	22.3%	2.1%	10.5%	10.0%	1.9%	2.2%	N/A
Tactical Overlay % ⁴	1.8%	0.8%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(1.8%)	N/A
Effective Investment %	52.9%	29.4%	23.5%	24.4%	22.3%	2.1%	10.5%	10.0%	1.9%	0.4%	N/A
Variance % (Strategic vs. Effective)	(3.1%)	1.4%	(4.5%)	5.4%	5.3%	0.1%	0.5%	0.0%	(3.1%)	0.4%	N/A
Strategic Target \$ ^{2,3}	\$132.1	\$66.1	\$66.1	\$44.8	\$40.1	\$4.7	\$23.6	\$23.6	\$11.8	\$0.0	\$235.9
Cash Market Investment \$ ²	\$120.5	\$67.4	\$53.0	\$57.5	\$52.5	\$5.0	\$24.7	\$23.6	\$4.4	\$5.2	\$235.9
Tactical Overlay \$ ^{2,4}	\$4.3	\$1.9	\$2.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$4.3)	N/A
Effective Investment \$ ^{2,3}	\$124.8	\$69.4	\$55.4	\$57.5	\$52.5	\$5.0	\$24.7	\$23.6	\$4.4	\$0.9	\$235.9
Variance \$ (Strategic vs. Effective) ^{2,3}	(\$7.3)	\$3.3	(\$10.6)	\$12.6	\$12.4	\$0.2	\$1.1	\$0.1	(\$7.4)	\$0.9	N/A
% Passive	62.6%	64.5%	60.1%	0.0%	0.0%	0.0%	0.0%	4.2%	0.0%	0.0%	32.0%
% Active	37.4%	35.5%	39.9%	100.0%	100.0%	100.0%	100.0%	95.8%	100.0%	100.0%	68.0%
% Internal	71.6%	74.7%	67.7%	89.6%	98.0%	0.0%	0.0%	4.2%	63.1%	100.0%	62.2%
% External	28.4%	25.3%	32.3%	10.4%	2.0%	100.0%	100.0%	95.8%	36.9%	0.0%	37.8%

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* When summing amounts on this report, there may be breakage.

* MDP Venture accounts included in MDP's primary asset class. MDP Fixed and CalPERS Hedge Fund roll to External Domestic Equity.

¹ Cash includes SMIF at STO.

² (\$ Billion)

³ Based upon Trade Date Accounting as recommended by CFA Institute GIPS Standards.

⁴ Approximately \$4.3 Billion notional in Equity Futures were purchased to equitize cash.

⁵ Commodities plus collateral: \$1,279,854,585

Private Market Commitment as of July 31, 2008							
AIM				Real Estate			
Funded	\$(in Billions)	% Allocation	Target Range	Funded	\$(in Billions)	% Allocation	Target Range
Fair Market Value (FMV)	\$24.74	10.48%	7-13%	Fair Market Value (FMV)	\$23.65	10.02%	7-13%
Unfunded Commitment	<u>\$26.80</u>	<u>11.36%</u>		Unfunded Commitment (as of 6/30/08)	<u>\$14.95</u>	<u>6.34%</u>	
Fair Market Value plus Unfunded Commitment	\$51.54	21.84%		Fair Market Value plus Unfunded Commitment	\$38.60	16.36%	
Infrastructure				Forestland			
Funded	\$(in Billions)	% Allocation	Target Range	Funded	\$(in Billions)	% Allocation	Target Range
Fair Market Value (FMV)	\$.11	0.05%	0-0.6%	Fair Market Value (FMV)	\$1.52	0.64%	0-0.5%
Unfunded Commitment (as of 6/30/08)	<u>\$.29</u>	<u>0.12%</u>		Unfunded Commitment (as of 6/30/08)	<u>\$.18</u>	<u>0.07%</u>	
Fair Market Value plus Unfunded Commitment	\$.40	0.17%		Fair Market Value plus Unfunded Commitment	\$1.70	0.72%	

CalPERS Total Fund Top 20 Company Exposures

Based on Total Market Values as of 7/31/2008

Company Name	Equity Exposure			Total Equity Market Value	Fixed Income Exposure			Total FI Market Value	Real Estate Exposure (1)	TOTAL Market Value	% of Total Fund(3)
	Internally Managed Active	Passive	Externally Managed Active		Internal	External	Sec. Lending(2)				
GENERAL ELECTRIC	162,641,501	741,237,040	140,749,823	1,044,628,364	551,091,974	20,439,668	693,234,788	1,264,766,430		2,309,394,794	0.69%
EXXON MOBIL CORP	240,712,352	1,162,583,558	271,313,152	1,674,609,062				0		1,674,609,062	0.71%
BANK OF AMERICA CORP	88,845,035	402,795,029	105,200,941	596,841,005	528,673,903	46,363,438		575,037,341		1,171,878,346	0.50%
JPMORGAN CHASE & CO	84,696,526	361,216,549	114,081,117	559,994,192	502,000,793	47,526,499		549,527,292	42,279,000	1,151,800,484	0.49%
CITIGROUP INC	30,490,044	258,379,905	74,683,203	363,553,152	477,526,353	15,707,169	265,756,425	758,989,947		1,122,543,099	0.36%
WAL MART STORES INC	156,217,962	628,664,328	142,801,532	927,683,822	144,099,851			144,099,851		1,071,783,673	0.45%
BERKSHIRE HATHAWAY	180,591,355	463,751,400	46,466,700	690,809,455	333,847,211			333,847,211		1,024,656,666	0.43%
MICROSOFT CORP	100,144,858	649,273,108	150,608,115	900,026,081				0		900,026,081	0.38%
PROCTER + GAMBLE CO	115,691,766	548,532,508	100,698,745	764,923,019				0		764,923,019	0.32%
AT&T INC	103,967,575	488,381,634	139,905,345	732,254,554				0		732,254,554	0.31%
JOHNSON + JOHNSON	116,470,962	527,937,935	85,997,019	730,405,916				0		730,405,916	0.31%
CHEVRONTEXACO CORP	75,878,732	477,256,640	151,214,335	704,349,707				0		704,349,707	0.30%
HSBC HOLDINGS PLC		438,486,895	125,995,190	564,482,085	116,840,347	18,858,947		135,699,294		700,181,379	0.30%
ROYAL DUTCH SHELL		494,575,610	203,074,941	697,650,551				0		697,650,551	0.30%
INTERNATIONAL BUSINESS MACHINES	88,664,288	463,364,388	132,220,233	684,248,909		3,391,215		3,391,215		687,640,124	0.29%
AMERICAN INTL GROUP INC	30,021,870	179,289,125	34,478,425	243,789,420	334,413,100	2,513,728	100,067,000	436,993,828		680,783,248	0.25%
CONOCOPHILLIPS	83,121,237	338,022,047	88,230,077	509,373,361	159,793,457			159,793,457		669,166,818	0.28%
VERIZON COMMUNICATIONS INC.	29,317,154	258,717,616	62,240,200	350,274,970	280,053,769	3,399,118		283,452,887		633,727,857	0.27%
GOOGLE INC	104,317,381	402,498,000	90,966,633	597,782,014				0		597,782,014	0.25%
GOLDMAN SACHS GROUP	44,046,293	181,647,480	77,066,198	302,759,971	278,258,052	45,165,090		323,423,142		626,183,113	0.27%

(1) Real Estate exposure data only includes the 20 companies with the highest annual lease revenues for each core partnership, excludes properties in escrow. The market value exposures are calculated based only on two years of expected lease revenues.

(2) Does not include Repos

(3) Excludes securities lending exposure

TARGET PERCENTAGE COMPARISON

ASSET ALLOCATION ¹

As of July 31, 2008

(A)	(B)	(C)	(D)	(E)	(F)
<u>Asset Class</u>	<u>Cash Market Allocation</u> (%)	<u>Effective Allocation</u> (%)	<u>Target²</u> (%)	<u>Target Range²</u>	<u>Difference (C-D)</u> (%)
Domestic Equity ³	28.6	29.4	28.0		1.4
International Equity	<u>22.5</u>	<u>23.5</u>	<u>28.0</u>		<u>-4.5</u>
Global Equity	51.1	52.9	56.0	51-61%	-3.1
Domestic Fixed Income	22.3	22.3	17.0		5.3
International Fixed Income	<u>2.1</u>	<u>2.1</u>	<u>2.0</u>		<u>0.1</u>
Global Fixed Income	24.4	24.4	19.0	14-24%	5.4
AIM	10.5	10.5	10.0	7-13%	0.5
Real Estate	10.0	10.0	10.0	7-13%	0.0
Inflation Linked	1.9	1.9	5.0	0-5%	-3.1
Cash Equivalents	2.2	0.4	0.0		0.4
Total Fund	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>		

¹ As allocated to managers.

² Asset Allocation Targets approved by Investment Committee in December 2007.

³ Included is MDP Investment: LM Capital Investment: Total Market Value=**\$205.1 million**.

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TARGET DOLLAR COMPARISON ASSET ALLOCATION

As of July 31, 2008

(A) <u>Asset Class</u>	(B) <u>Cash Market Allocation</u> (\$ Billion)	(C) <u>Effective Allocation</u> (\$ Billion)	(D) <u>Target¹</u> (\$ Billion)	(E) <u>Difference (C-D)</u> (\$ Billion)
Domestic Equity ²	67.4	69.4	66.1	3.3
International Equity	<u>53.0</u>	<u>55.4</u>	<u>66.1</u>	<u>-10.6</u>
Global Equity	120.5	124.8	132.1	-7.3
Domestic Fixed Income	52.5	52.5	40.1	12.4
International Fixed Income	<u>5.0</u>	<u>5.0</u>	<u>4.7</u>	<u>0.2</u>
Global Fixed Income	57.5	57.5	44.8	12.6
AIM	24.7	24.7	23.6	1.1
Real Estate	23.6	23.6	23.6	0.1
Inflation Linked	4.4	4.4	11.8	-7.4
Cash Equivalents	5.2	0.9	0.0	0.9
Total Fund	<u><u>235.9</u></u>	<u><u>235.9</u></u>	<u><u>235.9</u></u>	

¹ Based upon Strategic Asset Allocation Target Percentage of total fund, approved by Investment Committee December 2007

² Included is MDP Investment: LM Capital Investment: Total Market Value= **\$205.1 million**.

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MONTHLY PROGRESS REPORT
ASSET ALLOCATION ¹
As of July 31, 2008

(A)	(B)	(C)	(D)	(E)
<u>Asset Class</u>	6/30/2008 Effective Allocation (\$ Billion)	7/31/2008 Effective Allocation (\$ Billion)	Difference (C-B) (\$ Billion)	Target ² (\$ Billion)
Domestic Equity ³	72.7	69.4	-3.3	66.1
International Equity	<u>53.8</u>	<u>55.4</u>	<u>1.6</u>	<u>66.1</u>
Global Equity	126.5	124.8	-1.7	132.1
Domestic Fixed Income	54.2	52.5	-1.7	40.1
International Fixed Income	<u>4.9</u>	<u>5.0</u>	<u>0.1</u>	<u>4.7</u>
Global Fixed	59.1	57.5	-1.6	44.8
AIM	24.8	24.7	-0.1	23.6
Real Estate	23.6	23.6	0.0	23.6
Inflation Linked	4.7	4.4	-0.3	11.8
Cash Equivalents	0.6	0.9	0.3	0.0
Total Fund	<u><u>239.2</u></u>	<u><u>235.9</u></u>	<u><u>-3.3</u></u>	<u><u>235.9</u></u>

¹ Monthly progress report toward policy targets.

² Based upon Strategic Asset Allocation Target Percentage of total fund, approved by Investment Committee December 2007

³ Included is MDP Investment: LM Capital Investment: Total Market Value=\$205.1 million.

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BOOK VS MARKET VALUE

As of July 31, 2008

(A) <u>Asset Class</u>	(B) <u>Book Value</u> (\$ Billion)	(C) <u>Market Value</u> (\$ Billion)	(D) Effective <u>Market Value</u> (\$ Billion)	(E) Difference <u>(C - B)</u> (\$ Billion)
Domestic Equity ¹	47.9	67.4	69.4	19.6
International Equity	<u>51.8</u>	<u>53.0</u>	<u>55.4</u>	<u>1.3</u>
Global Equity	99.5	120.5	124.8	21.0
Domestic Fixed Income	50.1	52.5	52.5	2.4
International Fixed Income	<u>4.8</u>	<u>5.0</u>	<u>5.0</u>	<u>0.2</u>
Global Fixed Income	54.9	57.5	57.5	2.5
AIM	24.2	24.7	24.7	0.6
Real Estate	20.9	23.6	23.6	2.7
Inflation Linked	4.3	4.4	4.4	0.1
Cash Equivalents	5.2	5.2	0.9	0.0
Total Fund	<u><u>209.0</u></u>	<u><u>235.9</u></u>	<u><u>235.9</u></u>	<u><u>26.9</u></u>

¹ Included is MDP Investment- LM Capital Investment: Total Book Value= **\$206.8 million**, Total Market Value=**\$205.1 million**.

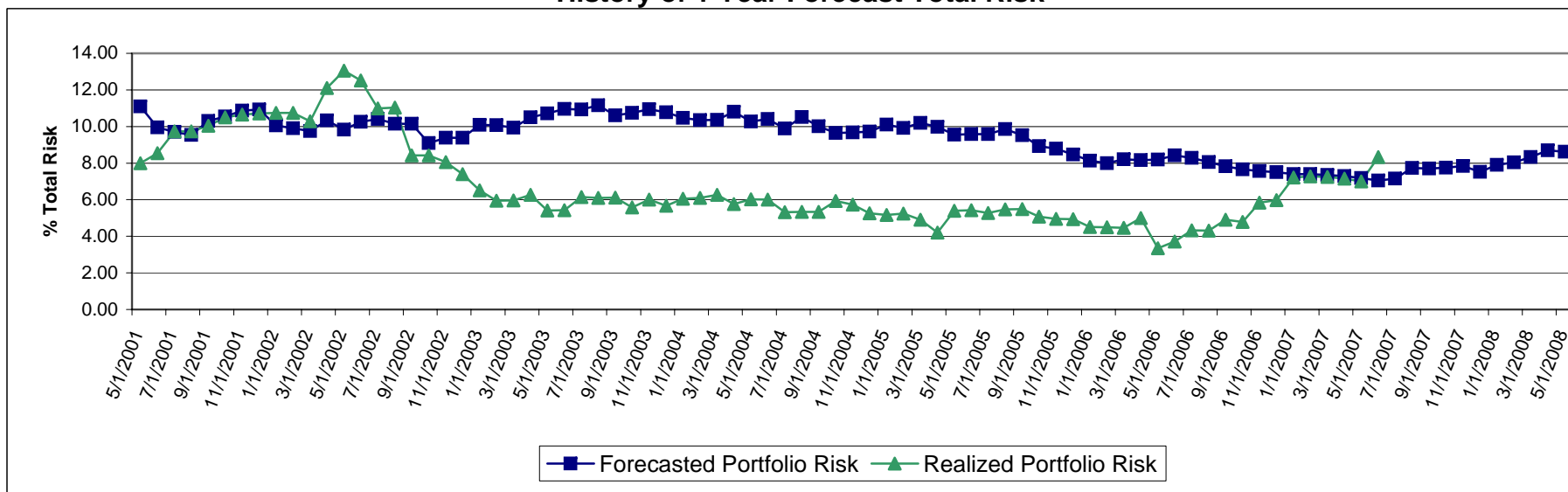
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CalPERS Forecast Total Risk (1 Standard Deviation) - One Year Horizon June 30, 2008

<u>Asset Class</u>	<u>Policy Risk Benchmark</u>	<u>Portfolio Risk</u>	<u>Benchmark Risk</u>	<u>Asset/Liability Assumptions</u>
US Equity	PERS2500	13.2%	14.0%	15.5%
International Equity	FTSE All-World xUS 25% hedged	13.4%	13.9%	17.5%
Global Fixed	Global Fixed Income	4.8%	5.1%	6.5%
Real Estate	NCREIF Proxy	16.2%	12.1%	17.0%
Alternative Investment	AIM Benchmark Proxy	20.2%	25.6%	25.0%
Inflation Linked	CPI	10.2%	6.7%	14.0%
Cash	US Dollar	0.5%	0.0%	1.5%
TOTAL FUND	Total Fund Blended Benchmark	8.6%	8.0%	11.4%

**Total Fund Risk
History of 1 Year Forecast Total Risk**

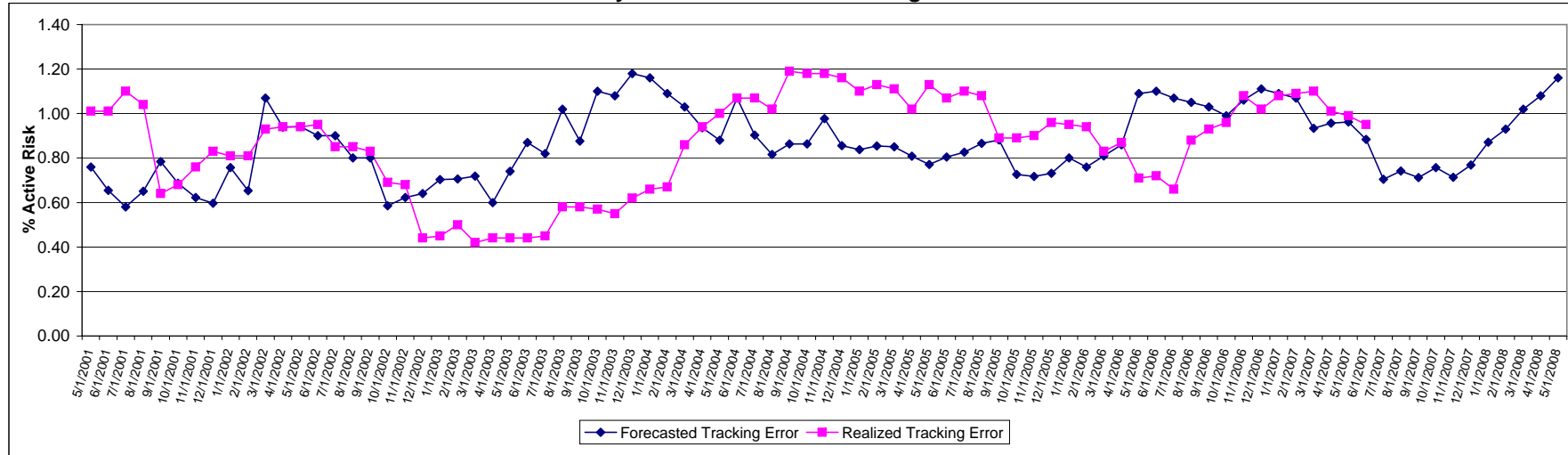


CalPERS Total Fund Tracking Error

June 30, 2008

Asset Allocation				Security/Sector Selection		Total Fund Tracking Error	
Asset Class	Actual Allocation (%)	Target Allocation (%)	Difference (%)	3 yr Realized Tracking Error (%)	Risk Forecast Tracking Error (%)	Risk Budget Tracking Error (%)	Risk Forecast Tracking Error (%)
Global Equity	52.9	56.0	-3.1	0.59	1.27		
Global Fixed Income	24.7	23.5	1.2	0.6	0.82		
Real Estate	9.9	10.0	-0.1	6.44	10.30		
AIM	10.3	9.0	1.3	13.72	8.01		
Inflation Linked	2.0	1.5	0.5	-	-		
Cash	0.2	0.0	0.2	-	-		
Active Asset Allocation Tracking Error		Risk Budget 0.75	Risk Forecast 0.55				
Total Fund Tracking Error						1.5	1.08

Total Fund Tracking Error Risk History of 1 Year Forecast Tracking Error Risk



GROSS PERFORMANCE VS EXPECTED RETURNS

One Year
August 1, 2007 to July 31, 2008

(A)	(B)	(C)	(D)	(E)	(F)	(G)
<u>Asset Class</u>	<u>Cash Market Allocation</u>	<u>Effective Allocation</u>	<u>Asset Return</u>	<u>CalPERS Long-Term Expected Annual Return¹</u>	<u>Expected Standard Deviation¹</u>	<u>One Standard Deviation Range</u>
	(%)	(%)	(%)	(%)	(%)	(%)
Domestic Equity	28.6	29.4	-10.6	7.00	15.50	-8.50 - 22.50
International Equity	<u>22.5</u>	<u>23.5</u>	-10.5	7.00	17.50	-10.50 - 24.50
Global Equity	51.1	52.9	-10.7			
Domestic Fixed Income	22.3	22.3	4.1			
International Fixed Income	<u>2.1</u>	<u>2.1</u>	14.3			
Global Fixed Income	24.4	24.4	5.2	3.00	6.50	-3.50 - 9.50
AIM	10.5	10.5	12.6	10.00	25.00	-15.00 - 35.00
Real Estate	10.0	10.0	8.8	6.00	17.00	-11.00 - 23.00
Inflation Linked	1.9	1.9	17.6 ²	4.00	5.75	-1.75 9.75
Cash Equivalents	<u>2.2</u>	<u>0.4</u>	<u>-4.5</u>	<u>1.25</u>	<u>1.50</u>	<u>-0.25 - 2.75</u>
Total Fund	<u><u>100.0</u></u>	<u><u>100.0</u></u>	<u><u>-3.2</u></u>	<u><u>8.46</u></u>	<u><u>11.40</u></u>	<u><u>-2.94 - 19.86</u></u>

¹ Investment Committee Meeting December 2007

² Ten month return for Inflation Linked Asset Class

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NET PERFORMANCE VS EXPECTED RETURNS

One Year
August 1, 2007 to July 31, 2008

(A)	(B)	(C)	(D)	(E)	(F)	(G)
<u>Asset Class</u>	<u>Cash Market Allocation</u>	<u>Effective Allocation</u>	<u>Asset Return</u>	<u>CalPERS Long-Term Expected Annual Return¹</u>	<u>Expected Standard Deviation</u>	<u>One Standard Deviation Range</u>
	(%)	(%)	(%)	(%)	(%)	(%)
Domestic Equity	28.6	29.4	-10.7	7.00	15.50	-8.50 - 22.50
International Equity	<u>22.5</u>	<u>23.5</u>	-10.5	7.00	17.50	-10.50 - 24.50
Global Equity	51.1	52.9	-10.8			
Domestic Fixed Income	22.3	22.3	4.1			
International Fixed Income	<u>2.1</u>	<u>2.1</u>	14.2			
Global Fixed Income	24.4	24.4	5.2	3.00	6.50	-3.50 - 9.50
AIM	10.5	10.5	12.6	10.00	25.00	-15.00 - 35.00
Real Estate	10.0	10.0	6.5	6.00	17.00	-11.00 - 23.00
Inflation Linked	1.9	1.9	17.0 ²	4.00	5.75	-1.75 9.75
Cash Equivalents	2.2	0.4	-4.5	1.25	1.50	-0.25 - 2.75
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Total Fund	<u>100.0</u>	<u>100.0</u>	<u>-3.4</u>	<u>8.46</u>	<u>11.40</u>	<u>-2.94 - 19.86</u>

¹ Investment Committee Meeting December 2007

² Ten month return for Inflation Linked Asset Class

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GROSS RETURNS
One Year
August 1, 2007 to July 31, 2008

	(A)	(B)	(C)
<u>Asset Class</u>	<u>Reported Gross Return</u>	<u>Expenses</u>	<u>Net Return (A-B)</u>
Domestic Equity	-10.64%	0.07%	-10.71%
International Equity	-10.46%	0.06%	-10.52%
Global Equity	-10.71%	0.05%	-10.76%
Domestic Fixed Income	4.12%	0.00%	4.12%
International Fixed Income	14.32%	0.08%	14.24%
Global Fixed Income	5.20%	0.01%	5.19%
AIM	12.56%	0.01%	12.55%
Real Estate	8.77%	2.28%	6.49%
Inflation Linked	17.62%¹	0.61%	17.01%¹
Cash Equivalents	-4.45%	0.00%	-4.45%
Total Fund	-3.16%	0.20%	-3.36%

¹ Ten month return for Inflation Linked Asset Class

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Periods Ending July 31, 2008

CIO SUMMARY REPORT - GROSS

	% of Plan	MKT VAL \$(000's)	1 MO	QTR	FYTD	1 YR	3 YRS	5 YRS	10 YRS
TOTAL DOMESTIC EQUITY	28.6	67,423,607	-1.23	-6.96	-1.23	-10.64	3.23	7.70	3.81
<i>WILSHIRE 2500 EX TOBACCO (BLENDED)</i>			-0.94	-7.13	-0.94	-9.97	3.34	7.78	3.42
TOTAL INTL EQUITY	22.5	53,074,032	-3.39	-9.65	-3.39	-10.46	12.50	17.33	7.17
<i>CALPERS FTSE ALL-WORLD EX US</i>			-3.40	-10.17	-3.40	-9.35	13.13	17.61	7.09
TOTAL GLOBAL EQUITY	51.1	120,497,745	-2.22	-8.13	-2.22	-10.71	6.42	10.98	4.99
<i>TOTAL GLOBAL EQ EX AIM BENCHMARK</i>			-1.74	-8.13	-1.74	-9.66	6.59	11.01	4.70
TOTAL DOMESTIC FIXED INCOME	22.3	52,504,615	-1.21	-2.38	-1.21	4.12	4.07	5.76	6.29
<i>CALPERS CUSTOM LEH LPF (DAILY)</i>			-0.31	-1.24	-0.31	6.42	4.02	5.41	6.13
TOTAL INTL FIXED INCOME	2.1	4,927,713	0.17	-0.95	0.17	14.32	6.69	7.73	6.10
<i>CALPERS WORLD GOVT X US</i>			0.33	-0.96	0.33	14.30	6.92	7.62	6.66
TOTAL GLOBAL FIXED INCOME	24.4	57,456,375	-1.10	-2.27	-1.10	5.20	4.35	6.03	6.29
<i>CALPERS TOTAL GBL FIXED INCOME POLICY</i>			-0.26	-1.22	-0.26	7.14	4.31	5.65	6.17
TOTAL AIM COMPOSITE	10.5	24,735,085	-1.66	-2.12	-1.66	12.56	20.09	19.39	11.48
<i>CUSTOM YOUNG FUND</i>			0.88	2.67	0.88	14.36	16.90	15.72	5.40
TOTAL REAL ESTATE	10.0	23,625,676	0.04	-0.05	0.04	8.77	21.51	23.24	17.22
<i>NCREIF PROPERTY 1 QTR LAG (DAILY)</i>			0.00	1.60	0.00	13.58	16.75	15.07	12.63
TOTAL INFLATION LINKED	1.9	4,407,496	-4.33	3.53	-4.33				
<i>CPI + 400 BPS</i>			1.30	3.79	1.30				
TOTAL CASH EQUIVALENTS	2.2	5,209,231	-0.82	-7.68	-0.82	-4.45	0.92	1.25	2.88
<i>PERS CUSTOM STIF NET OF FEES</i>			0.21	0.63	0.21	3.93	4.58	3.38	3.73
TOTAL FUND	100.0	235,920,639	-1.66	-5.21	-1.66	-3.16	7.89	10.95	6.76
<i>CALPERS POLICY INDEX</i>			-1.04	-4.50	-1.04	-1.97	7.43	10.20	6.08
<i>ACTUAL WEIGHTED TOTAL FUND INDEX</i>			-1.05	-4.56	-1.05	-2.79	7.28	10.18	6.13

Equity (SH4KA1, SHAKA1, SWZLA1); Fixed Income (SJDKA1, SJDCA1, SJEKA1)

AIM (SJA1M); Real Estate 1 QTR Lagged (SJRKA1)

Inflation Linked (SX2CA1); Cash Equivalents (SJVKE1); Total Fund (SJ1CA1)

Currency Overlay is not included in Global Equity. CPI return is estimated.

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Periods Ending July 31, 2008

CIO SUMMARY REPORT - NET

	% of Plan	MKT VAL \$(000's)	1 MO	QTR	FYTD	1 YR	3 YRS	5 YRS	10 YRS
TOTAL DOMESTIC EQUITY	28.6	67,423,607	-1.25	-6.98	-1.25	-10.71	3.17	7.65	3.77
<i>WILSHIRE 2500 EX TOBACCO (BLENDED)</i>			-0.94	-7.13	-0.94	-9.97	3.34	7.78	3.42
TOTAL INTL EQUITY	22.5	53,074,032	-3.40	-9.66	-3.40	-10.52	12.43	17.25	7.12
<i>CALPERS FTSE ALL-WORLD EX US</i>			-3.40	-10.17	-3.40	-9.35	13.13	17.61	7.09
TOTAL GLOBAL EQUITY	51.1	120,497,745	-2.23	-8.14	-2.23	-10.76	6.36	10.92	4.95
<i>TOTAL GLOBAL EQ EX AIM BENCHMARK</i>			-1.74	-8.13	-1.74	-9.66	6.59	11.01	4.70
TOTAL DOMESTIC FIXED INCOME	22.3	52,504,615	-1.21	-2.38	-1.21	4.12	4.07	5.76	6.28
<i>CALPERS CUSTOM LEH LPF (DAILY)</i>			-0.31	-1.24	-0.31	6.42	4.02	5.41	6.13
TOTAL INTL FIXED INCOME	2.1	4,927,713	0.17	-0.97	0.17	14.24	6.62	7.66	6.02
<i>CALPERS WORLD GOVT X US</i>			0.33	-0.96	0.33	14.30	6.92	7.62	6.66
TOTAL GLOBAL FIXED INCOME	24.4	57,456,375	-1.10	-2.27	-1.10	5.19	4.34	6.02	6.28
<i>CALPERS TOTAL GBL FIXED INCOME POLICY</i>			-0.26	-1.22	-0.26	7.14	4.31	5.65	6.17
TOTAL AIM COMPOSITE	10.5	24,735,085	-1.66	-2.12	-1.66	12.55	20.08	19.38	11.46
<i>CUSTOM YOUNG FUND</i>			0.88	2.67	0.88	14.36	16.90	15.72	5.40
TOTAL REAL ESTATE	10.0	23,625,676	0.04	-0.41	0.04	6.49	17.53	19.04	14.60
<i>NCREIF PROPERTY 1 QTR LAG (DAILY)</i>			0.00	1.60	0.00	13.58	16.75	15.07	12.63
TOTAL INFLATION LINKED	1.9	4,407,496	-4.33	3.49	-4.33				
<i>CPI + 400 BPS</i>			1.30	3.79	1.30				
TOTAL CASH EQUIVALENTS	2.2	5,209,231	-0.82	-7.68	-0.82	-4.45	0.92	1.25	2.88
<i>PERS CUSTOM STIF NET OF FEES</i>			0.21	0.63	0.21	3.93	4.58	3.38	3.73
TOTAL FUND	100.0	235,920,639	-1.67	-5.25	-1.67	-3.36	7.62	10.66	6.57
<i>CALPERS POLICY INDEX</i>			-1.04	-4.50	-1.04	-1.97	7.43	10.20	6.08
<i>ACTUAL WEIGHTED TOTAL FUND INDEX</i>			-1.05	-4.56	-1.05	-2.79	7.28	10.18	6.13

Equity (SH4KA1, SHAKA1, SWZLA1); Fixed Income (SJDKA1, SJDCA1, SJEKA1)

AIM (SJA1M); Real Estate 1 QTR Lagged (SJRKA1)

Inflation Linked (SX2CA1); Cash Equivalents (SJVKE1); Total Fund (SJ1CA1)

Currency Overlay is not included in Global Equity. CPI return is estimated.

CALPERS INVESTMENTS IN CALIFORNIA as of July 31, 2008

(A)	(B)	(C)	(D)	(E)	(F)
	Portfolio	California		CA Investment	
	Value	Investments		as % of	
		plus Additional	California	Asset Class	
<u>Asset Class</u>	<u>(\$ millions)</u>	<u>Commitments ¹</u>	<u>Investments</u>	<u>(D/B)</u>	<u>Program Description or Assumption</u>
		<u>(\$ millions)</u>	<u>(\$ millions)</u>	<u>%</u>	
EQUITY					
Domestic Equity	67,449.7	9,396.7	9,396.7	14	CA investment is approximately 14%
International Equity	<u>53,042.9</u>	<u>0.0</u>	<u>0.0</u>	<u>0</u>	
Global Equity	120,492.6	9,396.7	9,396.7	8 %	
FIXED INCOME					
Domestic Fixed Income	51,479.2	5,332.3	5,332.3	10	
International Fixed Income	<u>4,951.8</u>	<u>0.0</u>	<u>0.0</u>	<u>0</u>	
Global Fixed Income	57,456.4	5,332.3	5,332.3	9 %	
AIM					
AIM	24,735.1	2,000.0	2,000.0	8 %	Includes commitments through July 31, 2008
REAL ESTATE					
Real Estate	23,646.0	9,423.3	6,215.3	26 %	Outstanding commitments (column C-column D/column B): 13.6%
INFLATION LINKED					
Inflation Linked	4,407.5	200.0	4.2	0 %	
CASH / CASH EQUIVALENTS					
Cash / Cash Equivalents	5,183.2	0.0	0.0	0 %	On deposit at the Treasurer's Office: \$959.48
TOTAL FUND	235,920.6 =====	26,352.2 =====	22,948.4 =====	10 % =====	Outstanding commitments (column C/column B): 11.2%

¹ Total actual investments at market value and outstanding program commitments in California

Note: Due to reporting constraints, the California Investments in Real Estate reported are as of April 30, 2008

**Investment Committee
September 15, 2008**

**OPEN SESSION
Chief Investment Officer's / Chief Operating Investment Officer's Report
DISCLOSURE OF CLOSED SESSION ACTION ITEMS**

Investment Committee Meeting	Agenda Item	Investment Committee Action	Vote
Closed December 17, 2007	AIM – Legacy Portfolio Sale	Authorized AIM staff and the CIO to complete the divestiture of the Legacy Portfolio as outlined in the agenda item.	Roll Call Vote: YES – Beatty, Carlson, Diehr, Feckner, Lockyer, Mathur, McGuire, Oliveira, Shimada, Tom, and Valdes